



## Irish Life Weekly Investment Bulletin

The week that was – WEEK 09 2018 (ending 02/03/2018)

**“Sometimes you win, sometimes you learn.” – John Maxwell**

**Irish unemployment rate falls to over 9-year low of 6%** – Latest figures from the Central Statistics Office show that the seasonally adjusted unemployment rate for February 2018 was 6.0% (5.5% for females, 6.5% for males and 13.2% for youth), the lowest rate since May 2008 and down from 7.3% in February 2017.

**Government unveils a five-year road map for Irish pension reform** – The Government launched a pension action plan for radical reform of pensions over the 5 years 2018-2023 which entails, among other proposals, to introduce auto-enrolment from 2022 for all private sector workers over a certain age and income level.

**Global stock market down 1.4% on the week** – The MSCI AC World TR Index showed a 1.43% fall from 23rd February to 2nd March, as President Trump’s plans for steep tariffs on steel and aluminium imports sparked fears of a trade war which dragged down shares. The VIX finished the week at 19.59, up from 16.49.

**U.S. consumer confidence hits a 17-year high** – The latest Conference Board Consumer Confidence Index increased to 130.80 in February, up from 124.30 in January and the highest reading since November 2000, when confidence peaked at 132.60. An improving labour force was said to be the main driver of the rise.

**German government coalition deal sealed by SPD vote** – A postal vote of the center-left Social Democratic Party’s 463,000 members voted to form a coalition with Chancellor Angela Merkel and her center-right Christian Democratic Union/Christian Social Union alliance which ends five months of political deadlock.

**India overtakes China as world’s fastest-growing major economy** – India has regained its title as the world’s fastest-growing major economy, growing by 7.2% on an annualised basis in the fourth quarter of 2017, driven by the agriculture and construction sectors, compared to China’s 6.8% growth for the same period.

**The Story of the week:** Kenny Bachman had been on a night out with friends in Morgantown, West Virginia but later that night he was hit with a \$1,635 taxi bill after embarking on a 300-mile ride across three states. He had decided to get the Uber taxi to take him back to where he was staying, near West Virginia University's campus. Once inside the vehicle, he passed out and he woke up two hours later to find the driver was taking him to his home in Gloucester County, New Jersey. Mr Bachman said he never entered his home address as the destination, but no joy with bill.

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# Index Performances and Market Data\*

<b>Equity and Bond Markets % (in Local Currency)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD (to 02/03)</b>
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	-1.0
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	-5.4
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	-7.3
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	-4.9
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	1.0
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	5.1
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-7.0
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	1.6
Eurozone Government Bonds 1–5 yr	2.1	3.4	1.0	0.9	-0.2	-0.1
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD</b>
U.S.	3.0	2.2	2.2	2.4	2.4	2.8
German	1.9	0.5	0.6	0.2	0.4	0.6
UK	3.0	1.9	1.9	1.2	1.2	1.5
Japan	0.7	0.3	0.2	0.0	0.0	0.0
Ireland	3.4	1.3	1.1	0.7	0.7	1.1
Italy	4.1	2.1	1.6	1.8	2.0	2.0
Greece	8.2	9.6	7.9	7.1	4.1	4.4
Portugal	6.1	2.7	2.5	3.8	1.9	2.0
Spain	4.1	1.6	1.7	1.4	1.6	1.5
<b>Central Bank Rates (%)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD</b>
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	1.50
<b>Foreign Exchange Rates</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD</b>
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.23
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.89
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.38
<b>IPD All Property Return % (in Local Currency)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Ireland	3.1	12.7	40.1	25.0	12.8	8.1% (to end of Q4)
U.K.	2.7	10.7	17.8	13.1	3.6	10.3% (to end of Q4)
U.S.	5.3	11.4	11.2	12.1	7.8	7.1% (to end of Q4)

\*Past performance is not a reliable guide to future performance